June 3, 2005

Regulatory Analysis and Development
PPD, APHIS
Station 3C71
4700 River Road Unit 118
Riverdale, MD 20737-1238

Re: Docket Number 05-015-1, National Animal Identification System; Notice of Availability of a Draft Strategic Plan and Draft Program Standards.

Operating from the belief that the key is, "to make animal identification pay, instead of cost," we at Agriculture Solutions, have taken a proactive approach to animal identification and value-based management of livestock. We have partnered with AgInfoLink, USA, a worldwide leader in animal identification and traceability, to develop the Beef Verification Solution (BVS), http://www.kfb.org/bvs.htm, a comprehensive and confidential information system for livestock data collection, management and communication. BVS utilizes ISO 11784/85 compliant radio frequency identification (RFID) technology and is designed to not only communicate compliance data to USDA's evolving National Animal Identification System (NAIS) and coordinate with other private data systems and networks, but to also provide unique business solutions to members. For example, a key attribute of the BVS is its flexible data collection system ranging from simple and easy to use "Cards," which allow producers to participate without owning a RFID reader or even a computer, to software that not only collects data electronically but has several chute-side applications to record, calculate and sort livestock on the go. Most importantly, our program allows producers to compile and download data into Excel-based spreadsheet reports that can be specifically created to fit their operation and management needs, enabling them to make better herd and animal management decisions.

Currently we have 23 farmer/rancher members across Kansas working with their neighbors to develop practical animal identification solutions for their operations. We have sold over 5,000 RFID ear tags to farmers and ranchers wishing to market their livestock through source-verified programs and anticipate at least another 5,000 this coming fall. We are working to expand our network outside of Kansas by working with State Farm Bureau's and continually work with other industry participants to efficiently communicate value-based information.

Because of this, we strongly suggest that USDA work with the livestock industry to develop an integrated National Animal Identification System composed of multiple privately managed industry databases (including the Beef Verification Solution), connected to a single, multi-species, data trustee that would provide a defined, single point of contact for both federal and state animal health officials.

In addition, while we applaud USDA's goal of a "technology neutral" NAIS, we believe it is important that within technologies, USDA work for uniformity across species. For example, we believe that for any species using radio frequency identification, that it be ISO 11784/85 compliant, as included in the Draft Program Standards for Cattle/Bison. This type of uniformity

is vital for industry participants such as our Beef Verification Solution program, where our goal is to work with diversified farmers and ranchers, handling multiple species. If the NAIS allows for multiple RFID frequencies, multiple readers would then be required, dramatically increasing the costs to farmers, ranchers and other industry participants.

We appreciate your efforts to date and will continue to work with USDA in establishing and implementing a practical, cost-efficient, system of national animal identification. Lastly, we appreciate the opportunity to comment on both the NAIS Draft Strategic Plan and Program Standards. Our responses to specific USDA questions are below.

Sincerely,

Mark Nelson
Team Leader – Beef Verification Solution
Ag Solutions

Agriculture Solutions responses to specific USDA questions regarding the Draft Strategic Plan and Draft Program Standards:

1. Is a mandatory identification program necessary to achieve a successful animal disease surveillance, monitoring, and response system to support Federal animal health programs? Please explain why or why not.

   Yes. To effectively monitor and respond to animal health threats in a timely manner, the ability to rapidly trace an animal's movement both back and forward is essential. To do this will require a uniform, electronic based system of animal identification and a relatively high compliance rate. We agree with USDA's rate of 90%, the minimum compliance rate necessary for a state to achieve Stage V, status within the draft NAIS. However, we believe that in order to achieve a 90% compliance rate, a mandatory identification program will be necessary, as evidenced by the fact the industry has a voluntary system today with very little participation.

2. At what point and how should compliance be ensured? For example, should market managers, fair managers, etc., be responsible for ensuring compliance with this requirement before animals are unloaded at their facility or event? Please give the reasons for your response.

   All parties involved, state, federal, and industry must take responsibility for making the NAIS work. Adequate animal trace back requires that all premises to premises movements be reported in a timely manner. After animals are commingled, it is too late to identify and accurately trace them back to their original premises. Animal owners or lessees should be responsible for properly identifying animals within NAIS standards prior to them being commingled. And the primary contact for each premises receiving animals (feedlot, market, exhibition, etc.) should be responsible for properly reporting animal movements to USDA. As a result, we believe market managers, fair managers, etc. should be responsible for both, receiving animals that are appropriately identified before they are unloaded at their facility or event, as well as reporting to animal health officials that they have received the animals at their premises. Ultimately though, state and federal animal health officials will need to be responsible for determining whether individual animal owners and industry participants (feedlots, markets, exhibitions, etc.) are properly following NAIS guidelines, thus "ensuring compliance."

3. Can markets or other locations successfully provide a tagging service to producers who are unable to tag their cattle at their farms? Please give the reasons for your response.

   Yes, auction markets – with adequately constructed facilities – could be a logical tagging center, providing a service to producers who are unable to tag their cattle. Many markets have the facilities necessary to offer such a service, and if they choose to not offer this service, there are programs such as our Beef Verification Solution, that are prepared to obtain tags, assist producers in tagging their cattle, and report animal movements to animal health officials.

4. In what manner should compliance with the identification and movement reporting requirements be achieved? Who should be responsible for meeting these requirements? How can these types of transactions be inputted into the NAIS to obtain the necessary information in the least costly, most efficient manner?

Answers to these questions depend largely on whether USDA is proposing a "sighting" based, or "move-in/move-out" based NAIS. For example, a sighting-based system simply records that an animal was "sighted" at a location on a given date. Such a system would not necessarily record dates that animals were moved into or out of a premises. While such a sighting-based system is less burdensome on industry, it leaves much to be desired from an animal traceability perspective. A more comprehensive "move-in/move-out" based system would enable animal health officials to know approximate dates for when an animal entered and exited a premises. This becomes an issue when animal health officials are trying to determine when a particular animal was co-located with other animals and had direct animal to animal contact – a vital concern when tracing certain animal diseases. Without approximate move in and move out dates, determining if and when animals were co-located becomes much more difficult, if not impossible with any degree of accuracy.

Who should be responsible? Both buyer and seller would be well served to report the movement of animals but given a sighting-based system, we believe the receiver of the livestock should be responsible for reporting animal movements. If an agent (order buyer, auction market, etc) is involved in the transaction, these agents could provide the reporting as a service to their customers.

The most efficient and accurate method for data transfer is electronic. Multiple electronic methodologies are available. Within our Beef Verification Solution program, we utilize an email-based data sharing system for transferring data quickly and accurately. USDA would be well served to require electronic data submission and allow producers to choose from data service providers in industry to provide this service. Ideally, all data collection and reporting will be handled through private data service providers such as our Beef Verification Solution program, who would in turn forward the needed data to the appropriate animal health database. In this model, producers would not need to send data direct to states or USDA.

5. Is the recommendation that animals be identified prior to entering commerce or being commingled with animals from other premises adequate to achieve timely traceback capabilities to support animal health programs or should a timeframe (age limit) for identifying the animals be considered? Please give the reasons for your response.

   Yes. As long as animals remain at their premises of origin, they are relatively isolated and the risk of disease transmission is limited. It is only after entering commerce or being commingled with animals from other premises that the risk of disease transmission increases and becomes a national herd health issue.

6. Are the timelines for implementing the NAIS, as discussed in the Draft Strategic Plan, realistic, too aggressive (i.e., allow too little time), or not aggressive enough (i.e., do not ensure that the NAIS will be implemented in a timely manner)? Please give the reasons for your response.

   We believe the targeted timelines are realistic and achievable. Many systems, such as our Beef Verification Solution program are currently up and enrolling cattle. Throughout the livestock industry, systems are being developed and will likely be operational well in advance of USDA targets because of free market factors that are demanding greater traceability.

Additionally, while we believe that a mandatory identification program will be necessary to achieve successful animal disease surveillance, monitoring, and response, we suggest that USDA not penalize participants who fail to fully comply, when they have clearly made good faith efforts to do so.

7. Should requirements for all species be implemented within the same timelines, or should some flexibility be allowed? Please give the reasons for your response.

   Clearly, the most pressing need is for bovine animal identification and tracking but other species should be incorporated into the system on the same timeline, if not shortly behind, since many diseases, like FMD are not species specific. In addition, many species are already involved in some form of premises identification, animal identification and tracking, such as sheep, with the scrapie eradication program and swine, with the pseudorabies eradication program. For these species, implementing the NAIS will be more of transition issue than a development issue.

8. What are the most cost-effective and efficient ways for submitting information to the database (entered via the Internet, file transfer from a herd-management computer system, mail, phone, third-party submission of data)? Does the type of entity (e.g., producer, market, slaughterhouse), the size of the entity, or other factors make some methods for information submission more or less practical, costly, or efficient? Please provide supporting information if possible.

   The most efficient and accurate method for data transfer is electronic, and there are multiple electronic methodologies currently available. At the producer level, especially in the case of smaller producers, electronic methods may not be feasible. That is why, within our Beef Verification Solution program, we utilize both an email-based data sharing system for transferring data quickly and accurately and a paper-based system, geared towards smaller producers. USDA should consider a dual reporting standard, for example, asking larger farms, feedlots, markets or processors to report animal movements within 24 hours. But for smaller producers, and/or smaller transactions, allowing for a slightly longer reporting period, in order to account for farmers initially using a paper-based reporting system.

   We believe USDA would be well served to require electronic data submission and allow producers to choose from data service providers in industry to provide this service. Ideally, all data collection and reporting will be handled through private data service providers who would in turn forward the needed data to the appropriate animal health database. In this model, producers would not send data direct to states or USDA.

9. Given the information identified in the draft documents, what specific information do you believe should be protected from disclosure and why?

   We believe that all information provided to USDA should be protected from disclosure in order to protect the privacy of individual farmers and ranchers. In addition, we believe that USDA should only have access to Premises ID (representing the producers name, contact information and operation type), Animal ID, Event code (tagged, sighted, moved, died, slaughtered, etc), and a time/date stamp of the Event. This is all the information necessary to adequately trace animal movements for health reasons. Additional data is the property of the producer and should only be inputted into a private data-sharing network for use in adding value to the producers' livestock.

10. How could we best minimize the burden associated with providing information and maintaining records? For example, should both the seller and the buyer of a specific group of animals report the movement of the animals, or is reporting by one party adequate?

    While one reporting party may be sufficient, encouraging both parties to report will better ensure that the transaction is accurately reported. If only one is to be required, buyers/receivers will typically be in better position to provide reporting since they generally operate on a larger scale than the producers they purchase or receive from.

Agriculture Solutions responses to specific USDA questions regarding a privately managed database for holding animal location and movement information:

1. How should a private database system be funded? Please give the reasons for your response.

   The private side (industry) of a national system could in part be privately funded through a surcharge on the initial tag or enrollment into the system but the costs of building and maintaining the infrastructure to seamlessly transfer data among multiple data service providers will likely require federal support. Maintaining the health of our national herd is in the public good and should clearly be funded at least in part with public dollars.

2. Should the NAIS allow for multiple privately managed databases? Please explain why or why not.

   Yes. NAIS should allow for multiple data service providers on the private side. Data service providers such as our Beef Verification Solution program are designed to not only communicate the data necessary for NAIS but also provide unique business solutions to members. Through these "solutions," we can add value to the producer's livestock and their management, with a goal of making animal identification "pay" as opposed to handling it as a "cost-of-production."

   Multiple data trustees are a workable solution, but a single data trustee on the private side as proposed by NCBA would provide a defined single point of contact for USDA and eliminate any concerns over timely access to data.

3. Should a public (government) system be made available as well as a privately managed system so that producers have a choice? Please give the reasons for your response.

   NO, we believe that offering a duplicative publicly managed system creates duplicated costs and unnecessary confusion in the industry.

4. Should a privately managed system include all species? Please give the reasons for your response.

   Yes, while specific data service providers may specialize in certain species in a privately managed system, a single, multi-species, data trustee as proposed by NCBA would provide a defined single point of contact for USDA and eliminate any concerns over timely access to data and would be the preferred solution.

5. Would either system work equally well at the State level? Please explain why or why not. When and under what circumstances should the program transition from voluntary to mandatory?

   We believe one integrated system connecting USDA, states, and industry is the preferred solution. Again, offering both publicly and privately managed systems, whether it is at the state or federal level, creates duplicated costs and unnecessary confusion in the industry.

   We believe the targeted timelines within the Draft Strategic Plan for transitioning from a voluntary to a mandatory system are realistic and achievable. Many systems, such as our Beef Verification Solution program are currently up and enrolling cattle. Throughout the livestock industry, systems are being developed and will likely be operational well in advance of USDA targets because of free market factors that are demanding greater traceability.